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XTO REV PROD 88 (7-69) PAID UP (04/17/07)B

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 6th day of January 2008 between Pete Govea, aka Pedro Govea and wife, Lu-	cv Govea
3504 North Houston Street, Fort Worth, TX 76106	Lessor (whether one or more),
whose address is:	, and XTO Energy Inc.
whose address is: 810 Houston St., Fort Worth, Texas 76102, Lessee, WITNESSETH:	
1. Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledgements of Lessee hereinafter contained, does hereby grant lease and let unto Lessee the land covered hereby for the content of the c	ged, and of the covenants and

See Exhibit "A" attached hereto and made a part hereof.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 0.4061 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

- 2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
- said land with no cessation for more than ninety (90) consecutive days.

 3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal that part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such.

 14. part of such of the wells as of the day it is run to the pipe line or storage tanks. Lessor's interest, in either case, to bear 14. Lessoe is of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, of the day it is run to the pipe line of storage tanks. Lessoe's interest, in either case, to bear 14. Of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, of the well of 14. Of such gas and casinghead gas; (c) To pay Lessor on all other minetals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royality shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee coverants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be required to install or furnish facilities other than well facilities and ordinary lease facilities o
- payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owner of this lease, severally as to acreage owned by each.

 4. Lessee is hereby granted the right, at its option, to pool or unlitze any land covered by this lease with any other land, lease, or leases, as to any or all minerals or hortzons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance, provided, however, units may be established as to any one or or more hortzons, so as to contain not more than 80 surface acres, plus 10% acreage tolerance, or existing units may be entergred as to any one or more hortzons, so as to contain not more than 80 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface eventor). (3) minerals produced from wells classified as gas wells by the conservation agency having purisocition. If larger units than any of those herein permitted, either at the time established or all any such unit may be established or entarged to conform to the size permitted or required by such governmental order or rule. Lessee's shall exercise said option and as to each destablished or entarged to conform to the size permitted or required by such governmental order or rule. Lessee's shall exercise said options may be exercised by the sea of lied of record. Each of said options may be exercised by Lessee at any time and from time to time while this lesse is in force, and without the sea of lied of record. Each of said options may be exercised by Lessee at any time and from time to time while this, lesse is in thore, and while the remaining the purposes of the lessee even though there may be mineral, rowally or itseashold interests in lands within the unit of rule of each separate tract within
- Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following; drilling, testing, completing, reworking, recompleting, deepening, sidetracking, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right of any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

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- 8. The rights and estate of any party heretary separate covenants, obligations, and considerations of the successive assigns. No change or division in the ownership of said land, royalties, or other moneye, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its principal place of business by Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, such change in ownership occurs by reason of the death of the opinion of such record owner to establish the validity of such change or division. If any thereof, to the credit of the decedent in a depository bank provided for above.
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained and shall not be required to move or remove any existing surface facilities necessary or convenient for current operations.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.
- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.
- 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and Lessee may encounter difficulty securing surface location(s) for drilling, reworking or other operations. Therefore, since drilling, reworking or other operations are either restricted or not allowed on said land or other leases in the vicinity, it is agreed that any such operations conducted at a surface location off of said land or off of lands with which said land are pooled in accordance with this lease, provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations under said land or lands pooled therewith, shall for purposes of this lease be deemed operations conducted on said land. Nothing contained in this paragraph is intended to modify any surface restrictions or pooling provisions or restrictions contained in this lease, except as expressly stated.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.
LESSOR(S)
Pedro Gaura
Péte Govea, aka, Pedro Govea
Lucy Govean
STATE OF } COUNTY OFTARRANT } COUNTY OFTARRANT } (ACKNOWLEDGMENT FOR INDIVIDUAL)
This instrument was acknowledged before me on the day of January, 20 ⁰⁸ by
Pete Govea, aka Pedro Govea and wife, Lucy Govea
oildud AratoN STATE OF TEXAS Wy Commission Expires 08-06-2008
N SIEDZE
My commission expires: <u>OB-OG-2008</u> Printed <u>JAMES K- YIERCE</u>
Seal: JAMES K. PIERCE NOTARY PUBLIC STATE OF TEXAS My Commission Expires 08-06-2008
STATE OF }
COUNTY OF } ss. (ACKNOWLEDGMENT FOR COMPANY)
This instrument was acknowledged before me on theday of, 20, by, as
,a
SignatureNotary Public
·
My commission expires:
Seal:

1111-0034-00

EXHIBIT "A"

Attached to and made a part of the certain Oil and Gas Lease dated January 6, 2008 by and between Pete Govea, aka Pedro Govea and wife, Lucy Govea, as lessor, and XTO Energy Inc., as Lessee, lands located in Tarrant County, Texas, to-wit:

Tract 1

0.2061 acres, more or less, including all of lessor's interest in abutting streets and alley's, if any, and, being in the W. M. Gray Survey, A-635, Lot 19, Block 119, of the M. G. Ellis Subdivision, situated in the City of Fort Worth, Texas, and recorded in the Plat records in Volume 63, Page 19, at the Tarrant County Courthouse located in Fort Worth, Texas, and, also being the same lands described in that certain General Warranty Deed, dated May 9, 2001, FROM Beulah Frances Little Testamentary Trust TO Pete Govea, aka Pedro Govea and wife, Lucy Govea, recorded in Instrument No. D201114664, in the Deed Records of Tarrant County, Texas.

Tract 2

0.2000 acres, more or less, including all of lessor's interest in abutting streets and alley's, if any, and, being in the J. Wallace Survey, A-1605 Lot 8, Block 20, of the Washington Heights Subdivision, situated in the City of Fort Worth, Texas, and recorded in the Plat records in Volume 316, Page 40, at the Tarrant County Courthouse located in Fort Worth, Texas, and, also being the same lands described in that certain Warranty Deed, dated September 26, 1985, FROM Juan Govea and wife Alicia Govea TO Pete Govea and wife, Lucy Govea, recorded in Instrument No. D185593498, in the Deed Records of Tarrant County, Texas.

Lessee shall not enter upon the surface or place any structure or building upon the leased premises, or conduct any operations without the written consent of Lessor. Lessee shall only develop the leased premises by pooling, as provided herein, or by directional or horizontal drilling commenced from a surface location on other lands.

Lessor hereby grants unto Lessee, its successors and assigns, an Option to extend the Three (3) year primary term of this paid-up Oil and Gas Lease for an additional period of Two (2) years upon the same terms and conditions as hereinabove set out and agreed upon. Such Option shall be exercised by Lessee by paying or tendering to Lessor, prior to the expiration of the Third Year of the primary term, an amount equal to <u>Two Thousand</u> Dollars (\$2,000.00) per LOT then covered by this paid-up Oil and Gas Lease, which amount shall cover and include the rental payments for the fourth and fifth years and extending the primary term of this Oil and Gas Lease for a Primary Term of Five (5) years.

SIGNED FOR IDENTIFICATION:

Pete Govea, aka Pedro Govea

Lucy Govea

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